LAW OFFICES OF CHARLES D. NACHAND Dated: May 7, 2008

Charles D. Nachand, Attorney for

Sherill Johnston

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Name of Case: In Re: Vacant Land Located in San Diego County, APNS 279-150-22 & 280-140-10 United State District Court, Southern District of California; Case No. 3:08-CV-00455-W-BLM 2 DECLARATION OF SERVICE 3 I, Sharon Lewis, declare as follows: 4 I am over the age of eighteen years and not a party to the case. I am employed in the County of San Diego, California, where the mailing occurs; and my business address is 451 South Escondido 5 Boulevard, Escondido, CA 92025. 6 On May 7, 2008 served the foregoing document(s) described as: NOTICE OF FILING AND GENERAL APPEARANCE on the interested parties in this action by placing a true copy thereof 7 enclosed in a sealed envelope addressed as follows: 8 SEE ATTACHED MAILING LIST 9 BY MAIL. I am readily familiar with the firm's practice of collection and processing of (X) 10 correspondence for mailing with the United States Postal Service, and that the correspondence shall be deposited with the United States Postal Service this same day in the ordinary course 11 of business pursuant to Code of Civil Procedure §1013a. 12 BY FAX. In addition to service by mail as set forth above, a copy of said document(s) were () also delivered by facsimile transmission to the addressee pursuant to Code of Civil Procedure 13 §1013(e). 14 BY PERSONAL SERVICE. I hand-delivered said document(s) to the addressee pursuant to () Code of Civil Procedure §1011. 15 BY EXPRESS MAIL. I caused said document(s) to be deposited in a box or other facility 16 () regularly maintained by the express service carrier providing overnight delivery pursuant to Code of Civil Procedure §1013(c) 17 Executed May 7, 2008 at Escondido, California. 18 I declare under the penalty of perjury under the laws of the State of California that the above is true 19 and correct. 20 21 22 23 24 25 26 27

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SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN DIEGO, NORTH COUNTY DIVISION

IN RE:

VACANT LAND LOCATED in SAN
DIEGO COUNTY APNS 279-150-22 AND
280-140-10

Case No.: 37-2007-00080647-CU-PT-NC

RESPONSE TO PETITION, CLAIMS, PRIORITY LIENS AND REQUEST FOR PAYMENT BY RESPONDENT

Date: March 21, 2008

Time: 1:30 Dept: 12

Judge: Adrienne Orfield

Response to Petition, Identification of Priorities, Claims and Request for Payment by Respondent SHERILL JOHNSTON.

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BACKGROUND

This was an attempt by six people to purchase raw land and develop the same. It ended with a foreclosure by the first deed of trust, resulting in the excess proceeds which are before this court. Respondent herein, SHERILL JOHNSTON (herein after JOHNSTON) has an ownership claim, a secured claim (deed of trust and judgement) and has a priority subrogated priority lien and claim for payment on behalf of all owners under the foreclosed, purchase money first deed of trust.

The property was purchased by Respondent JOHNSTON with her then husband DENNY JOHNSTON (now her ex husband - dissolution filed 4/04; entered 3/05). Together they own a one-third interest. The co-purchasers of the property were MICHAEL and NANCY SPIKER as to one-third, and DERRICK AND NICOLE SPIKER as to one-third. (DERRICK is the son of